

SENATE BUDGET COMMITTEE

KENT CONRAD, CHAIRMAN

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Contact: Stu Nagurka (202) 224-7436
Steve Posner (202) 224-7925

Statement by Senate Budget Committee Chairman Kent Conrad, D-ND, on House Republican Vote to Make Bush Tax Cut Permanent

It is hard to imagine a more fiscally irresponsible move than to permanently extend all of the Bush tax cut without paying for it. This Republican effort, which would overwhelmingly benefit the wealthiest, would cost an additional \$400 billion this decade – every penny of it coming from Social Security trust funds.

Its more than \$4 trillion price tag in the next decade beginning in 2012 would wreak fiscal havoc on America. It would cause massive raids of the Social Security trust funds, and drive us even further into debt exactly when record numbers of baby boomers will be retiring. The timing could not be worse. Instead of digging the hole deeper with more unaffordable tax cuts, we should be paying down debt and doing more to ensure the solvency of Social Security and Medicare so the country can keep its promises and commitments to the millions of baby boomers who begin retiring just six years from now.

The President's tax cut is already driving this country into deep debt over the next 10 years. Rather than facing up to the fiscal and demographic challenges facing America, Republicans have dragged out their standard mantra – more tax cuts financed by using Social Security trust funds. If we could afford to make these tax cuts permanent, why didn't House Republicans include the 10-year cost of the tax cut in their budget last month? They left it out, because they knew it would show that massive raids of the Social Security and Medicare trust funds would be required to pay for it.

Last year, we warned America that the President's budget didn't add up. Now, based on the administration's own projections, we know his budget never reaches balance without using Social Security money. In fact, the Bush budget takes nearly \$2 trillion out of Social Security trust funds over the next decade to pay for tax cuts and other spending. By making the Bush tax cut permanent, Republicans are sending a very clear message that they have no intention of ever passing a budget that does not raid Social Security.

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